

Detroit Economic Growth Corporation

Who We Are

DEGC is a private, non-profit organization. We're not part of the city of Detroit's government, but we are a long-time partner of it.

DEGC has been designed to make business success in Detroit possible. Many companies know exactly what they're doing, but need help deciding where to do it and how to get there. That's where we excel. We know Detroit well, we know the city's government, and we're aware of the countless opportunities the city has to offer. We've been designed to share all that business knowledge with companies and organizations to maximize its value right here in Detroit.

Core areas of expertise

Administration and Finance

- Deal Structuring
- Assessing project feasibility
- Underwriting
- Administering incentive processes and programs (i.e. DBRA, CCIF)
- Negotiating on behalf of public entities (i.e. Cobo Hall, Cement Silos)
- Acting as a fiduciary and contracting entity for philanthropic initiatives ("Detroit Works" project)

Administering public redevelopment authorities

- Detroit Brownfield Redevelopment Authority (DBRA)
- City of Detroit Downtown Development Authority (DDA)
- Economic Development Corporation of the City of Detroit (EDC)
- Neighborhood Development Corporation of the City of Detroit (NDC)
- City of Detroit Local Development Finance Authority (LDFA)
- City of Detroit Tax Increment Finance Authority (TIFA)
- Eight Mile/Woodward Corridor Improvement Authority (EMWCIA)

Business Development

- Making the business case for a Detroit location
- Assisting with site selection
- Assessing gaps and navigating incentives and financing programs
- Connecting employers to workforce development initiatives
- Navigating regulatory processes
- Finding other resources to help businesses grow or innovate

Project Management

- Developing and implementing district plan
- Undertaking pre-development activities
- Designing, engineering, financing and implementing infrastructure, new construction and rehabilitation projects
- Designing, implementing, and financing complicated public projects

Detroit Economic Growth Corporation

Business Development Team

500 Griswold, Suite 2200
Detroit, Michigan 48226

PHONE 313.963.2940 | FAX 313.963.8839 | degc.org



We're all business.

Detroit Economic Growth Corporation - Business Services

Major Projects and Initiatives

- Authority management of all six above-referenced public development authorities, especially managing new projects and servicing older projects
- Business attraction, retention, and expansion activities citywide for businesses with identified customers and capital, but especially focused on targeted clusters and employment districts (currently working with 593 leads and 181 opportunities)
- Capitol Park redevelopment district
- Civic Center redevelopment
- Cobo Center improvements
- Creative Corridor Incentive Fund (incentive program to grow the number of creative firms in Detroit)
- D2D (Detroit business to business procurement program)
- Greenway Development- Dequindre Cut Expansion, Other initiatives that connect to other existing greenway systems
- Detroit Business Support Network (network of almost all Detroit business serving nonprofit organizations)
- Detroit Food and Ag Network (network of Detroit and regional food sector businesses)
- Detroit Future City implementation, including developing the Project Management Office and managing the Economic Growth strategy implementation
- Downtown streetscapes including Woodward Avenue tree installation, Madison Avenue Streetscape Improvement Project, Randolph Avenue Streetscape Improvement Project, Lower Woodward Alleyway restoration, CBD-wide energy efficiency lighting installation, circuit repair & replacement
- East Riverfront development district
- Loan portfolio management for 10 loan programs, both servicing existing loans and processing new requests
- I-94 Industrial Park development
- Jefferson Village development
- Livernois Avenue Corridor- Retail and Streetscape Revitalization
- Green Grocer Project (grocery store development program)
- Paradise Valley redevelopment district
- Catalyst Development Project
- REDI - Renewable Energy Detroit Initiative (renewable energy business attraction effort)
- REVOLVE Detroit (neighborhood retail marketing and development program)
- Rock Ventures-- Downtown Place making and Retail Development Project
- Shoppes at Gateway project
- Smart Buildings Detroit (commercial and institutional energy efficiency retrofit program)
- Woodward rapid transit/transit oriented development

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EQUITABLE CITY

ECONOMIC GROWTH

IMPLEMENTATION STRATEGIES



A

**SUPPORT FOUR KEY ECONOMIC PILLARS:
INDUSTRIAL, EDS & MEDS, DIGITAL/
CREATIVE, SMALL BUSINESS**



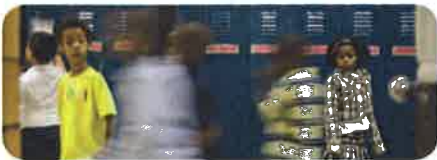
B

**USE A PLACE-BASED STRATEGY FOR
GROWTH: SEVEN EMPLOYMENT DISTRICTS**



C

**ENCOURAGE LOCAL ENTREPRENEURSHIP
AND MINORITY BUSINESS PARTICIPATION**



D

**IMPROVE SKILLS AND SUPPORT EDUCATION
REFORM**



E

**IMPROVE LAND REGULATIONS,
TRANSACTIONS, AND ENVIRONMENTAL
ACTIONS**

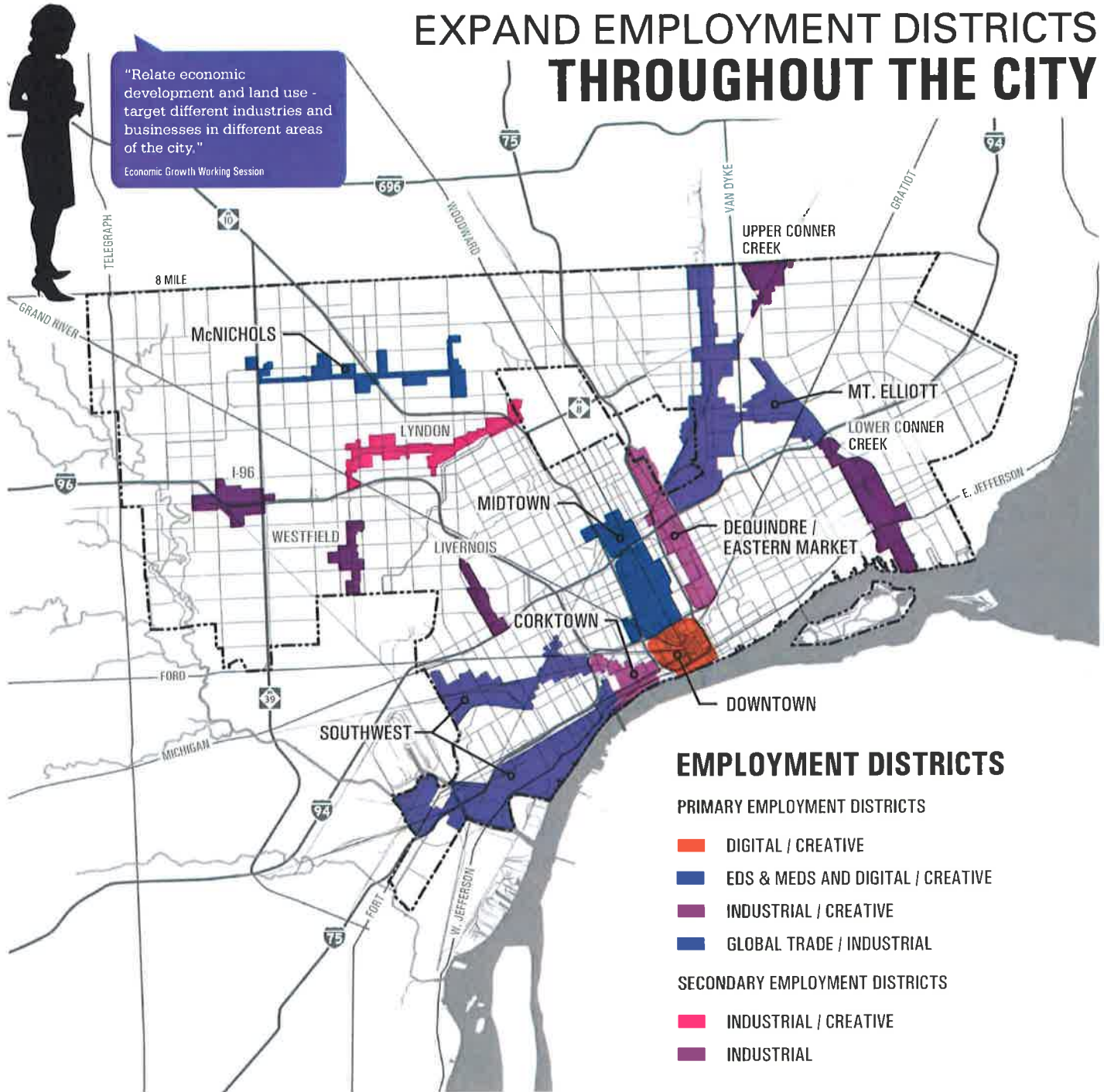
FOUR ECONOMIC PILLARS

KEY ECONOMIC GROWTH CLUSTER		CURRENT EMPLOYEES	PROJECTED GROWTH IN 10 YEARS*	REPRESENTATIVE JOBS
1	LOCAL ENTREPRENEURSHIP: Local Business to Business (B2B)	20,000	10%	Accounting, landscaping, facilities maintenance, short haul trucking, wholesale activities, recruiting, and delivery
2	TARGET INDUSTRIAL: Automotive Food and Beverage (F&B) Metal Fabrication (MF) Transportation, Distribution and Repair (TDL) Construction, Demolition, Engineering and Repurposing (CDER)	27,000	14%	Assembly, fabrication, engineering, processing, packaging, trucking, rail operation, construction trades, management
3	DIGITAL / CREATIVE: Digital Industries (DI) Creative Industries (CI)	12,000	6%	Programming, engineering, industrial design, IT repair, web services, fashion, graphic design, arts
4	EDUCATION & MEDICAL: Education Healthcare	50,000	26%	Teaching, administration, medical services, research, vocational training, dentistry, medical manufacturing
	OTHER: Retail Government Real Estate Finance	86,000	44%	Retail management and sales, stocking, headquarters activity, public service, nonprofit management

EXPAND EMPLOYMENT DISTRICTS THROUGHOUT THE CITY

"Relate economic development and land use - target different industries and businesses in different areas of the city."

Economic Growth Working Session



Preliminary Mid-Year 2013 DEGC Progress Report

Development Districts and Project Management

Central Business District Lighting: Installed new fixtures in four alleys to improve the light levels. Completed energy efficient lighting retrofits and additional replacement and repair of major downtown electrical circuits to improve reliability.

Civic Center Planning Project: Planning effort was launched in March 2013. Primary goals of the planning effort are to improve connectivity between General Motors, Cobo Center and across Jefferson Avenue, establish the location of an entertainment venue within Hart Plaza, as well as other key elements of an improved Hart Plaza, including programming and events to activate Hart Plaza year round. The first phase summary will be completed August 2013.

Dequindre North Greenway (as part of the larger LINK project): Completed project construction drawings for the extension of the Dequindre Greenway to Mack Ave, as well as Mack Ave striping of bike paths to Midtown and the reconstruction of several bridges over the Dequindre subgrade greenway. Funding sources have been identified, including the primary funding coming from a federal TIGER grant. Expected completion in late 2014.

Detroit Works Long Term Planning: Completed the administration of the long term planning process, leading to the publication of the Detroit Future City implementation effort. Launched the Detroit Future City project management office, including securing start-up funding and hiring leadership team.

Gateway Marketplace: \$92 million shopping center opened to the public. Staff validated necessary documentation to complete project financing.

Jefferson Village: Pursued and received title to 11 unfinished houses. Proceeding with completion of the exteriors of 6 houses, as well as the completion of interiors, marketing and sales for the other five houses. Pursued and received title to 9 vacant, tax foreclosed lots to assemble for eventual sale to a site redeveloper. Completed phase one of Gateway improvements including sidewalks, gateway monuments and fencing.

Madison Avenue Streetscape: Significant progress made in funding this streetscape improvement project, as well as completing construction drawings. Construction is projected to be completed Fall 2014. Project will enhance downtown's Entertainment District.

Livernois Avenue Streetscape: Completed project construction drawings and secured project funding sources, including the primary funding coming from MDOT. Construction anticipated in 2014 and will lead to median beautification from Eight Mile Road to M-10.

East Riverfront District: Gained EDC board approval for advancing \$55 million mixed use development by McCormack Baron Salazar on the riverfront, which will lead to 500 residential units and new retail.

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Development Districts and Project Management (cont.)

Catalyst Development Project: DDA approved a Memorandum of Understanding (MOU) with Olympia Development for a new \$650 million multipurpose events center and entertainment district.

Detroit Brownfield Redevelopment Authority

One approved application: El Moore Greens, a mixed use development in Midtown that will entail the complete renovation of the El Moore apartment building for use as 12 rental units, 1 manager's unit, and 10 lodge units. Total investment is estimated to be \$6.3 million and 25 temporary construction and 3 permanent jobs to be created.

Staff is working to advance approximately 8 applications through the end of year, which could yield between \$55 million and \$300 million in planned investment.

SmartBuildings Detroit

The SmartBuildings Detroit energy efficiency program approved \$808,861 in 6 matching grants. This investment may leverage a total of \$1.4 million in energy-saving improvements to Detroit buildings and will impact 1,386,347 sq ft of commercial building space.

Business Development Programs

The Business Development team generated 64 new leads and 35 new opportunities from January 1, 2013 through June 30, 2013, bringing the total number of active leads to 123 and active opportunities to 70.

The following are new projects that have completed significant milestones during this time period. They will lead to 1946 jobs and \$109.5 million in investment

Automotive Assembly/Manufacturing

Integrated Manufacturing Assembly: Joint Venture between Comer Holdings and Lear Corporation. New product and expansion of existing operations for seat assembly and seating systems. Three investments in Detroit – 6555 E Davidson (new business), 6501 Nevada (expansion) and 12601 Southfield (relocation at the Gateway Industrial Center). PA 328 certificate approved by City Council in March 2013. MEDC awarded BDP grant of \$3 M towards IMA's combined Detroit projects. Community Ventures participant. Project is expected to generate 765 jobs and \$15.2 million in investment.

New Center Stamping: Expansion of existing facility of this Tier One automotive supplier. Land sale and swap with City of Detroit and MDOT needed along with PA 328 certificate for M&E. Groundbreaking to be held in September, and project expected to be completed by Dec. 2013. Project expected to generate 20 jobs and \$10.5 million in investment.

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Business Development Programs

Automotive Assembly/Manufacturing (cont.)

Sakthi Automotive Group USA, Inc.: Global HQ based in India. A division of Sakthi Group, Sakthi Automotive designs, develops and manufactures safety critical components for the auto industry. Purchased the former 262,000 sq ft Arvin Meritor building in SW Detroit. PA 328 application approved by City Council. Workforce development assistance underway. MEDC awarded BDP grant of \$1.5 million. Project is expected to generate 170 jobs, \$27.5 million in investment.

Creative Companies, including Creative Corridor Investment Fund Recipients

Campbell Ewald: Relocation from Warren into Detroit of one of the nation's largest public relations/marketing firms. Will lease 121,787 sq ft at Ford Field. CCIF grant of \$300,000. Project estimated to create 550 jobs and \$15 million in investment.

Claridge House: Revitalization of a dormant 66,000 sq ft building located in downtown Detroit with retail, apartments and commercial office space. Project will develop 5,000 sq ft collaborative workspace for creative companies. PA 210 certificate advanced to Detroit City Council. CCIF award of \$120,000. Project is expected to generate at least 25 jobs and \$1.5 million in investment (figures relate to creative space only).

Detroit Labs: Expansion of mobile phone applications firm into a long vacant building on Woodward Avenue, activating 11,922 sq ft of commercial space. CCIF award of \$115,000. Project is expected to generate 97 jobs and \$1.1 million in investment.

Grand Circus: New technology training center located in the Broderick Tower, activating 13,200 sq ft. Will serve as a catalyst and hub for the retention and attraction of a dense cluster of tech and creative-based businesses in downtown Detroit by fueling a diverse talent pipeline. CCIF award of \$125,000. Project is expected to generate \$1.2 million in investment.

Noble Voice: Relocation from Illinois into the Corktown neighborhood of Detroit of a firm that services boutique U.S. based call centers. Project is activating 14,856 sq ft. DESC assisted with hiring first 40 employees. Project expected to generate 60 jobs and \$160,000 in investment.

Rosetti: Relocation of this architectural design and planning firm from Southfield into 16,993 sq ft in Detroit's long vacant Federal Reserve Building. Project is currently under construction. CCIF grant of \$115,000. Project anticipated to create 63 jobs and \$2.3 million in investment.

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Creative Companies, including Creative Corridor Investment Fund Recipients (cont.)

Sync Technologies: Website design services firm that opened a 915 sq ft office in the Penobscot Building. Project anticipated to generate 3 jobs and \$38,000 in investment.

Food / Beverage Manufacturing

Brew Detroit: New brewery in Corktown neighborhood. PA 328 certificate approved by Detroit City Council. Project is anticipated to create 25 jobs and \$6.6 million in investment.

VernDale Products: Expansion of sole-source producer of roller dried milk for premium chocolate companies globally. Will lead to 89,000 sq ft of new manufacturing and warehousing space in west Detroit. PA 198 under consideration by Detroit City Council. Project anticipated to retain 43 jobs, create 13 new jobs, and generate \$16 million in investment.

Grocery/Other Retail

DEGC's Green Grocer Project is currently working with three operators to facilitate \$8.35 million in expansions and improvements at 7 Detroit grocery stores. Significant milestones achieved for project financing, leading to likely announcements in 2013.

DEGC's REVOLVE program secured \$350,000 in grants to advance art and pop-up retail installations in Detroit neighborhood commercial districts. Significant progress has been made to develop 10 installations along Livernois Avenue at Outer Drive which will be unveiled this fall.

Local Business to Business

DEGC's D2D program was formally launched in March 2013 with 15 large Detroit corporate and institutional buyers agreeing to increase their spend with Detroit suppliers. Staff has been recruiting suppliers to participate in the program. More information can be found at www.d2dbusiness.org.

Warehousing/Distribution

Cardinal Health: Construction of Cardinal Health warehouse facility south of HFHS main campus. Developed by Kirco and Henry Ford Health Systems. PA 328 approved by City Council. MEDC award of CRP. Project is anticipated to create 125 jobs and \$30 million in investment

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